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COUNTRY PROGRAMMES AND RELATED MATTERS

UNDP COOPERATION WITH TRINIDAD AND TOBAGO

Note by the Administrator

I. PURPOSE AND BACKGROUND

1. The purpose of the present note is to provide an update to the Executive Board on UNDP activities since the end of 1993 and to give indications of the direction the UNDP programme will take between now and the end of 1996. It is expected that a country cooperation framework, to begin in 1997, will be submitted to the Executive Board no later than at its third regular session 1996.

2. The fourth country programme (1988-1991) was extended twice until the end of 1993. The net contributor country status of Trinidad and Tobago in the fourth programming cycle (1987-1991) was waived by the Governing Council in June 1993, after which the formal programming process began. By its decision 94/32, the Executive Board authorized the Administrator to approve programmes and projects for Trinidad and Tobago on a case-by-case basis.

II. NATIONAL DEVELOPMENT OBJECTIVES, STRATEGIES AND CURRENT SOCIO-ECONOMIC SITUATION OF TRINIDAD AND TOBAGO

3. After seven consecutive years of decline, the economy of Trinidad and Tobago registered a rate of growth of 1.5 per cent in 1990. This achievement was due primarily to the enhanced performance of the petroleum sector, facilitated by increases in refinery throughput and stabilization of crude oil production. Continued expansion in economic activity was experienced during 1991 as real gross domestic product (GDP) almost doubled its rate of growth when

compared with the previous year. This improved performance was attributable to an expansion in the output of the non-petroleum sector, led by the manufacturing and services sectors while output in the petroleum sector increased marginally. Following upon the fragile growth achieved in 1990 and in 1991, the process of economic recovery experienced a setback during 1992-1993 with marginal contraction in both years. The decline reflected mainly the slow-down in activity in the petroleum sector and the initial negative impact of trade liberalization on the manufacturing sector. However, in 1994 the economy experienced an overall growth rate of 4.0 per cent, the highest since 1981. This was the result of expansion in the petroleum and the non-oil sectors, which registered increases in output of 10.5 per cent and 1.8 per cent, respectively.

4. In response to initiatives directed at broadening the revenue base and enhancing revenue collection as well as efforts at restructuring the State enterprise sector, the fiscal accounts improved considerably in 1993 and 1994 to register overall deficits of only 0.2 per cent of GDP. Within the last two years, there has been a temporary stepping-up in the rate of price increases largely owing to the effects of the initial depreciation of the Trinidad and Tobago dollar, which followed the liberalization of the exchange rate in 1993. However, there was strong evidence of a significant abatement of inflationary pressures by the third and fourth quarters of 1994.

5. Despite these positive developments, the economic situation remains somewhat fragile. Unemployment, although declining, remains around 18 per cent of the labour force, with the incidence being particularly high among young persons in the 19 to 25 age group.

6. In response to the challenges facing the economy, the Government has set out the following broad goals and objectives in its medium-term policy framework 1994-1996:

(a) Realization of sustained economic growth through productivity increases, expansion of output in export-oriented activities, and further diversification of the productive base of the economy;

(b) Sustainable and substantial expansion in employment generation;

(c) Appropriate surpluses on the overall fiscal and balance of payments accounts and the attainment of an adequate level of foreign exchange reserves;

(d) Sustained reduction in inflation levels;

(e) Effective social safety net programme;

(f) Environmental protection.

7. A major concern of the Government lies in the adverse effects of the adjustment process on the population. The process of structural adjustment has produced some short-term costs, particularly among the more vulnerable groups of the population. The general decline in living standards, together with a deterioration of social infrastructure and, by extension, the quality of social services available to the poor and indigent, threaten to undermine the successes

gained on the economic front. In an effort to mitigate the resulting dislocation, there has been an expansion in the social safety net. Additionally, the Government has stepped up investment in basic social infrastructure in health, education and housing.

III. UNDP COOPERATION 1994-1996

8. The total amount of indicative planning figure and programme/project cost-sharing resources for the period 1994-1996 amounts to $1,803,361. The two areas of concentration are: (a) improvement of national environmental management, and (b) restructuring of the delivery system for social services.

A. Improvement of national environmental management

9. The government programme in the environmental field consists of three main components: strengthening national environmental management capacity; addressing specific environmental issues; and strengthening the capacity of environmental non-governmental organizations (NGOs) to preserve the environment. UNDP will continue to sponsor public consultations that are expected to contribute to and impact on the formulation and adoption of environmental policy and legislation. UNDP support is also expected to contribute to and impact on the establishment and subsequent institutional strengthening of the Environmental Management Authority (EMA) and the design and implementation of a comprehensive public education programme on environmental issues. UNDP will train EMA staff; introduce standardized information systems that provide a common basis for decision-making; provide research and analysing equipment and streamline the current institutional framework in the environmental field. This represents a continuation of ongoing cooperation in the field of environment and falls within the UNDP focus area of environment and natural resources management, thereby contributing to the overall objective of sustainable human development (SHD). An amount of $833,000 or 46 per cent of total resources available for the period 1994-1996, have been allocated to the establishment of the EMA and to the improvement of environmental legislation.

10. In addition to providing support to the strengthening of the environmental management capacity of the Government, UNDP has also been asked to support government efforts to strengthen the environmental NGOs. Assistance in the amount of $250,000 annually was obtained from the Global Environment Facility (GEF), co-financed by the McArthur Foundation for a total amount of $300,000, for the period 1995-1997. In 1990, the Government of Trinidad and Tobago signed an environmental loan of $4 million with the Inter-American Development Bank (IDB) as part of a $5 million national programme for the environment. The programme will cover studies on basic environmental and natural resource issues and on the reclamation of mined lands as well as an environmental protection and rehabilitation programme. However, the national programme has suffered from inadequate management capacity and is still to be fully implemented. It is expected that the EMA will assist in strengthening the management capacity of the programme.

11. It is expected that at the end of the programme, UNDP cooperation will have facilitated initiatives in the environmental sector that have resulted in improved environmental management. Concrete improvements are expected with regard to environmental indicators pertaining to the pollution of soil, water and air.

B. Restructuring of the delivery system for social services

12. The main focus of the government social sector programme is the development of an efficient social services delivery system based on involvement of NGOs and communities. UNDP cooperation will support the design and testing of the system, which will entail the division of the country into catchment areas based on geography, population density, levels of unemployment and poverty. In each area, a community-based institutional arrangement will be established to target the specific needs of individuals and families with a view to referring clients to the appropriate specialist agency or NGO for rehabilitation assistance. An amount of $225,000 or 13 per cent of resources available for the period 1994-1996 have been allocated to the restructuring of the system. Furthermore, Special Programme Resources for SHD will be used for funding those aspects of the programme that relate specifically to the empowerment of communities. In terms of social sector reform, the UNDP contribution will be significant in the design of a participatory approach to social development that could be a model for countries at a similarly high stage of development. To enhance the role of the NGOs, UNDP will provide $100,000 from its Partners-in-Development Programme to strengthen and support social sector NGOs and their programmes.

13. At the end of the cycle, cooperation with UNDP is expected to have resulted in a more targeted and efficient system for the delivery of social services. The system should also contribute to the effective utilization of the funds obtained by the Government under an IDB loan for the establishment of a social fund, which would also rely on the NGOs for distribution. The results are expected to have a measurable impact on the incidence of poverty in Trinidad and Tobago. Concrete improvements are expected with regard to life expectancy and access to social services such as health care and education.

IV. EXECUTIVE BOARD ACTION

14. The Executive Board may wish to:

Take note of the programme objectives for Trinidad and Tobago, covering the period 1994-1996, as contained in the present note.

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ACTIVITIES OF THE INTER-AGENCY PROCUREMENT SERVICES OFFICE

Report of the Administrator

I. PURPOSE

1. The present report provides a comprehensive review of the activities of the Inter-Agency Procurement Services Office (IAPSO). It is submitted to the Executive Board in line with the UNDP budget strategy for the biennium 1996-1997, outlined in report DP/1995/51 and pursuant to paragraphs 41 to 43 of Board decision 95/28 on the 1996-1997 biennial budget for IAPSO.

2. The report has also been prepared as a follow-up to the recommendations of the Board of Auditors contained in their management letter to UNDP of 30 June 1995 with regard to its review of IAPSO activities.

3. The activities of IAPSO fall within two principal mandates:

(a) To undertake research and development activities in the area of procurement for the benefit of United Nations organizations. There are also subsidiary benefits to Member States, non-governmental organizations (NGOs) and other civil society organizations, and the business community for the information available to them as a result of the efforts of IAPSO to promote United Nations procurement. This activity is provided free of charge to the United Nations system and is completely funded by UNDP under its Programme Support and Development Activities (PSDA) component of the budget. However, IAPSO is seeking ways to obtain financing from beneficiaries, where practical, for these research and development activities.

(b) To provide a wide range of procurement services - including advisory, direct procurement, and training/capacity-building services - to Governments of programme countries, donor Government development agencies, NGOs, United Nations

organizations, and United Nations staff. IAPSO has also established a niche in serving development partners outside the United Nations system. For UNDP in particular, IAPSO provides procurement services to country offices both for purchases against the administrative budget of those offices and in support of national execution of UNDP programmes and projects. IAPSO provides all procurement services on a self-financing basis. Clients are charged a fee for the services provided.

4. The Executive Board is requested to (a) reaffirm the activities of IAPSO in light of a recognized need for IAPSO to consolidate results achieved in programme support activities since its inception in 1978 and (b) define a strategy to secure the financial basis to pursue these activities in the future. IAPSO is foreseen as an important participant in the changing environment for development cooperation, both in terms of its mandate for research and development in cooperation with the inter-agency forum, and in terms of the procurement services that it provides to the entire development community, a unique service that goes beyond the organization of the United Nations system. The Board is also requested to reaffirm its decision with regard to the budgetary allocation to IAPSO and revised staffing table and grade structure (para. 42 of decision 95/28).

II. THE ESTABLISHMENT OF IAPSO

5. The Inter-Agency Procurement Services Unit (IAPSU) was set up by UNDP in 1978, in response to General Assembly resolution 32/197 of 19 December 1977. In 1982, IAPSU moved from New York to Geneva to strengthen its operational viability and effectiveness in view of the location of major United Nations agencies. In 1989, at the invitation of the Government of Denmark, IAPSU was relocated to Copenhagen, at which time it was renamed the Inter-Agency Procurement Services Office (IAPSO). This move was in direct response to a request for measures to achieve more equitable geographical distribution of procurement through increased utilization of supply sources from underutilized major donor countries, in particular the Nordic countries and the Netherlands. Relocation costs were covered by the Government of Denmark, which to date provides rent-free office accommodation to IAPSO.

6. The overall objective and overriding concern of IAPSO, as established by Governing Council decision 78/31 of 3 July 1978, is "to procure equipment at the lowest possible cost with maintenance of adequate standards". This mandate was reaffirmed in Council decision 88/20 of 1 July 1988. Subsidiary objectives are: to increase procurement from developing countries; to achieve a wider geographical distribution of sources of supply; and to increase utilization of non-convertible currencies. The last objective has diminished in importance as UNDP no longer accumulates significant amounts of non-convertible currencies.

7. The Governing Council regularly reviewed the activities of IAPSO, adding specific areas of concentration in line with the main mandate. In its decision 79/45, later reaffirmed by decision 85/39, the Council mandated IAPSO to distribute advance business information, unify procurement rules and procedures and standardize equipment procurement on behalf of the United Nations system. In its decisions 87/19 and 88/20, the Council, called for compilation of

statistical information on procurement, a move it reaffirmed in decision 89/29, in which it also requested additional data on other components such as experts, consultants, national experts, fellowships and volunteers.

8. In its decision 91/48 of June 1991, the Governing Council further requested the consolidation of procurement guidelines and the establishment by IAPSO of a common vendor database. It also requested the strengthening of national capabilities through training programmes, increased transparency and advance information on procurement activities of the United Nations system and the strengthening of focal points at local levels.

9. In 1987, pursuant to decisions by the Governing Council and the Executive Management Committee (the internal policy body of UNDP at the time), the Administrator took the decision to authorize IAPSO to undertake procurement, for a fee, for common-user items on behalf of (a) United Nations system organizations; (b) Governments; (c) organizations cooperating with the United Nations system; and (d) United Nations staff members.

10. The Administrator has reported to the Governing Council and the Executive Board on the full range of IAPSO activities in the main programme record, an addendum to his annual report. Specific areas of focus have also been reported on a regular basis. Beginning in 1996, the activities of IAPSO, including a consolidated report on procurement and statistical information on purchases of goods and services by United Nations agencies and UNDP, will be reported to the Executive Board at its third regular session.

III. ACTIVITIES OF IAPSO

11. In accordance with IAPSO mandates, the scope of activities of IAPSO fall within two major areas: (a) research and development activities and (b) procurement and training services.

A. Research and development activities

1. Secretariat of the Inter-Agency Procurement Working Group

12. The Inter-Agency Procurement Working Group (IAPWG) was established in 1976, pursuant to a decision of the Inter-Agency Consultative Board (ICAB) and on the recommendation of the Governing Council, in order to ascertain whether cost savings, speedier deliveries and better maintenance could be achieved through cooperation in procurement among United Nations agencies. UNDP has chaired IAPWG since 1977 and IAPSO became its secretariat in 1978. IAPWG has guided the work of IAPSO in an inter-agency spirit of cooperation, based on the mandates given to IAPSO by the Governing Council.

13. Currently, IAPWG meets annually, with active participation of the majority of United Nations executing and specialized agencies. Agencies also cooperate in sub-working groups on specific technical issues of common interest, whose results are reported to IAPWG for further evaluation and/or endorsement. Annual IAPWG meetings include the assessment by the participants of the market capacity

of host countries through business contact activities. The venue of the annual meeting is established on a rotational geographical basis. Host countries have included both developing and donor countries.

14. Cooperation on procurement matters within the framework of the IAPWG has allowed important progress on such issues as the coordinated procurement of common-user items; standardization and negotiation of collective price arrangements and umbrella contracts; most economical delivery of goods and services; diversification of supply sources, with special emphasis on procurement from developing and underutilized major donor countries; harmonization of the United Nations procurement procedures; and practices and information to the business community on supply opportunities to the United Nations system are good examples of the results achieved over the past years within the IAPWG framework.

15. IAPWG members have expressed appreciation, in various occasions, for the services in research and development provided by IAPSO free of charge to the United Nations agencies. The various services in this area are described in the following paragraphs.

2. Collective price arrangements

16. The Consultative Committee on Administrative Questions (Financial and Budgetary Matters (CCAQ(FB)), has recognized that standardization programmes and centrally negotiated prices for common-user items would have potential for significant savings for the United Nations system. On this basis and as requested by the IAPWG and actively supported by major United Nations buying organizations, IAPSO undertakes, based on the aggregated annual United Nations purchasing volume, open international bidding for supply to the United Nations of common-user items based on generic specifications. The evaluation and selection of bids is done by the respective sub-working technical group and presented by the participating United Nations agencies to their Contract Committees for approval. In UNDP, the Chief Procurement Officer, following the recommendation of the UNDP Contract Committee, approves the collective price arrangements for direct use by UNDP in a decentralized manner.

17. The concept of coordinated procurement, developed by IAPSO on the basis of recommendations by CCAQ(FB), is supported by IAPWG and was recently reconfirmed at its 20th annual meeting, 1995. Coordinated procurement has resulted in improved prices through economy of scale, delivery conditions, service and maintenance facilities, as well as increased transparency through the wide market consultation and improved procedures for procurement using negotiated prices. System-wide savings in 1994 were estimated at $20 million on some 8,000 purchase orders.

18. IAPSO compiles catalogues on standard common-user items, containing full technical and price information, which allows direct use of these umbrella contracts for procurement by United Nations agencies and country offices globally.

3. Standardization and specifications of common-user items

19. The term "common-user item" was defined by IAPWG at its 18th annual meeting, 1993, to cover major commodities purchased frequently by several United Nations organizations. Detailed work on standardization is carried out by technical sub-working groups, serviced by IAPSO. So far, development of standards and specifications have covered motor vehicles, motor cycles, trucks, and office equipment. More recently, common-user items have included specialized items of relevance to the work of several United Nations organizations in specific areas.

20. For instance, work on defining generic specifications for emergency relief items has been completed. This will support United Nations system-wide efforts to improve emergency preparedness and to achieve cost efficiency. IAPSO, in close consultation with the Department of Humanitarian Affairs (DHA) and other United Nations and non-United Nations humanitarian organizations, developed generic specifications for all major items required in the first phase of an emergency. Specifications for medical items are currently being developed. The target groups for this information are, first and foremost, the disaster management team at the country level, headed by the Resident Coordinator, United Nations humanitarian aid organizations, NGOs and Governments.

21. In recognition of the fact that disasters, in particular man-made ones, leave increasing numbers of people maimed, IAPSO has started developing common standards for the emergency rehabilitation phase, in particular the development of low-cost technical aids for disabled persons, which can be produced in developing countries, using appropriate technology. In this undertaking, IAPSO cooperates with the International Disability Foundation (IDF).

22. In direct response to Agenda 21, IAPSO has included environmental specifications in the standardized specifications of common-user items. This was systematically introduced for the 1994 competitive bidding exercise, in particular for motor vehicles, motor cycles and office equipment, and responses from manufacturers are very encouraging. In this regard, IAPSO is also coordinating efforts to create a green office environment in UNDP and the United Nations system. The initial concept has been adopted by UNDP.

4. The United Nations Common Coding System (UNCCS)

23. To facilitate the exchange of information on supply sources, establish and update databases and compile statistical information on procurement in the United Nations system, IAPSO developed the United Nations Common Coding System (UNCCS), based on the Central Product Classification (CPC) of the United Nations Statistical Office. UNCCS presently covers more than 17,000 types of goods and services and is being expanded on an ongoing basis. To cater to the steadily growing use of UNCCS and provide an on-line user-service facility, a UNCCS maintenance secretariat is being established under IAPSO, with funding from a donor Government.

24. Established in 1990, UNCCS is now used by most major United Nations agencies, including the World Bank. Other organizations such as the

International Federation of Red Cross and Red Crescent Societies (IFRC), the International Committee of the Red Cross (ICRC) and Crown Agents have also adopted the UNCCS. The wide acceptance of UNCCS in the United Nations system will particularly facilitate electronic data interchange in the future.

25. UNCCS is correlated with other international coding systems such as the Harmonized System (HS), the Standard International Trade Classification (SITC) and the Community Procurement Vocabulary (CPV) developed by the European Commission. Moreover, NATO is in the process of preparing correlation tables with UNCCS for use in peace-keeping operations with the United Nations.

5. The Common-Vendor Database (CVD)

26. The Common-Vendor Database (CVD) is a tool for sharing information on reliable, active United Nations suppliers of specific goods and services. It is a repository of information on about 7,000 active United Nations suppliers from 140 countries, of which 27 per cent are from developing countries and 12 per cent from underutilized major donor countries. The CVD is thus a tool for improving geographical distribution of United Nations contracts.

27. IAPSO is responsible for the maintenance and updating of the CVD. United Nations agencies report information on active suppliers to IAPSO, on an annual basis for all suppliers and on a monthly basis for major contracts, which are also published in the IAPSO publication "Procurement Update". IAPSO is responsible for the strict adherence to registration criteria and verification of all data, the objective being to provide complete and accurate information on suppliers for direct use by United Nations agencies.

28. Updated electronic versions of the CVD is provided to all United Nations organizations on diskette; direct access to the master CVD in IAPSO is also possible. Since 1994, all UNDP country offices have received the CVD for use in procurement sourcing. Over the past two years, the CVD has also become more actively used as a sourcing tool by all agencies, both at headquarters and field levels. The development of an improved version of the CVD software is planned by IAPSO to facilitate its use by agencies and country offices in the updating of information and the establishment of local supplier rosters.

6. Statistical reporting on procurement by the United Nations system

29. IAPSO compiles annual statistical reports on the procurement of goods, services and personnel components for use by the Economic and Social Council (ECOSOC) and the Executive Board. Data is collected from all United Nations organizations and UNDP country offices, based on country of procurement for goods and country of head office location for services. The personnel components, covering international experts, national experts, United Nations Volunteers (UNV) specialists and fellowships are compiled on the basis of nationality and assignment.

30. The major system-wide constraint to accurate and timely reporting of data on procurement is that the provision of statistics is not yet an integral part of the procurement process and often requires manual retrieval of data. With the increased use of computerized procurement systems and codification (inter alia, UNCCS), it is expected that better reporting routines will be feasible in the future. More detailed data would also facilitate joint standardization efforts by the United Nations organizations and coordinated price negotiations. IAPSO plans to develop an electronic database facility to simplify the collection of statistical data.

7. Harmonization of United Nations procurement procedures and practices

31. In order to facilitate the harmonization of procurement procedures among the United Nations organizations, IAPWG established a Sub-Working Group in 1994 to devise common principles for procurement. A first draft will be presented to IAPWG at its 21st meeting in 1996.

32. The revised common principles, which were developed within the context of the United Nations Commission on International Trade Law (UNCITRAL) Model Law for Procurement of Goods, covers those procurement stages from sourcing activities to the execution of a procurement contract while addressing such important issues as fairness, integrity and transparency of the procurement process, as well as economic efficiency and effectiveness.

8. Market advice and information to the United Nations system and business community

33. The market information services provided by IAPSO to the business community range from advisory services to registration of suppliers. Based on a quick assessment of capacities, IAPSO provides information on which United Nations organization or organizations are likely to require the goods and services offered. More than 4,000 companies are assisted directly on an annual basis. In cooperation with national focal points, such as trade promotion offices and chambers of commerce IAPSO assists in arranging business information seminars and enlists the cooperation of relevant United Nations agencies in such events. In 1995, business seminars were organized in Cyprus, Denmark, Finland, Italy, Netherlands, Norway, South Africa, Sweden, United Kingdom and Zimbabwe.

34. The General Business Guide (GBG), published annually by IAPSO in English, French and Spanish, contains general information on requirements for goods and services by the United Nations agencies and is an important initiative towards promoting transparency in procurement. The GBG provides a general overview of procurement requirements by each organization of the United Nations system, together with common principles and practices governing procurement, as well as contact addresses of country offices, and field offices for peace-keeping operations.

35. The monthly bulletin "Procurement Update", published by IAPSO since 1990, has become a central source of information for the business community and a

channel for United Nations agencies to advertise advance business opportunities, procurement notices and contract awards. IAPSO is actively promoting the information flow from the regional bureaux, country offices and United Nations agencies to ensure access to relevant information by interested suppliers and wider knowledge of the United Nations as a market. "Procurement Update" is also available as an electronic facility.

36. In addition, a network of national focal points has been established based on an inventory of trade-promotion organizations, elaborated in the framework of a joint UNDP/International Trade Centre (ITC) programme. Today, IAPSO cooperates with over 300 national focal points, of which 254 are in developing countries.

9. Promotion of procurement from developing and under-utilized major donor countries

37. Increased geographical distribution of procurement, in particular from developing and underutilized major donor countries is one of the major objectives of IAPSO. This is being pursued through: (a) increased awareness of the United Nations market; (b) research on supply sources; (c) dissemination of such information to United Nations agencies; and (d) shortlisting procedures to include suppliers from developing countries.

38. In 1988, IAPSO initiated a programme of action to promote supply sources in developing countries. This took the form of UNDP-funded technical cooperation projects implemented by ITC, the United Nations Office for Project Services (UNOPS), or the concerned Government with support from IAPSO. Projects have been implemented in 15 countries.

39. In 1994, IAPSO undertook an evaluation of such projects, which concluded that projects were effective in: (a) building capacity at the level of the national executing agency; (b) building awareness in the local business community about the potential United Nations market; and (c) informing United Nations agencies about potential supply sources in developing countries. Weaknesses such as the lack of updating mechanisms for supplier information and training of counterpart personnel were also identified in the programme countries. New projects address these weaknesses to ensure that the necessary national capacities are created.

40. One of the outputs of such projects was the production of catalogues of verified national supply sources. These catalogues are distributed to all United Nations agencies and country offices as a sourcing tool. Guidelines for shortlisting, requiring, inter alia, inclusion of suppliers in target countries were elaborated by IAPSO in the framework of the IAPWG. In addition, in its standardization efforts for common-user items, IAPSO seeks to identify reliable suppliers in target countries for inclusion in product catalogues. Country offices are also requested to report to IAPSO on active supply sources.

41. Through the work of IAPSO, in collaboration with local industry and/or Governments, the share of United Nations procurement from developing countries

has increased from 22.2 per cent in 1988 to 35.5 per cent in 1994, as reported to the Executive Board in document DP/1995/55.

42. The concept of underutilized major donor country was originally developed by IAPSO to designate a major donor whose return value on contracts in relation to its voluntary contribution to UNDP was low, compared to other donor countries. The Nordic countries and the Netherlands have belonged to this category for some time.

43. Through advisory services and information seminars, IAPSO seeks to increase the knowledge of the United Nations market in the business community of underutilized major donor country. Also, as part of the programme of IAPWG meetings, in particular when held in underutilized major donor countries, IAPSO has facilitated business contacts between procurement officials of United Nations agencies and underutilized major donor country firms in an effort to promote business opportunities between these firms and the United Nations system. In cooperation with national focal points, potential suppliers are registered and supplier information updated and published in country-specific catalogues, which are distributed to United Nations procurement offices and UNDP country offices. IAPSO is also planning to develop an electronic distribution of supplier information from this group of target countries.

B. Procurement and training services

1. Procurement services

44. The assistance provided by IAPSO ranges from the direct procurement of standard common-user items to the provision of more complex procurement services involving technical/sourcing advice to clients. As a provider of direct procurement services, IAPSO assists its clients as a trusted neutral agent, with the cost-efficient acquisition primarily of commonly used equipment, providing access to preferential United Nations umbrella contracts and specific United Nations stock arrangements, with the agreement of the manufacturers. As an adviser, IAPSO provides information on appropriate specifications of relevant equipment for field use, suitable country standards and qualified sources of supply, including manufacturers in developing and underutilized major donor countries.

45. Procurement services to clients have grown from $9.2 million in 1988 to $48.2 million in 1994, as illustrated in the tables below:

Table 1. Total procurement in 1994 by client group

Requesting party	$ millions	Per cent
UNDP (Administrative budgets)	3.8	7.9
NGOs, Donor development agencies	23.5	48.8
Programme country Governments	13.3	27.5
United Nations organizations	2.1	4.3
United Nations staff	5.5	11.5
Total	48.2	100.0

Table 2. Total procurement in 1994 by main product group

Products	$ millions	Per cent
Vehicles	40.7	84.5
Computers	3.1	6.5
Office equipment	1.5	3.0
Other	2.9	6.0
Total	48.2	100.0

46. Assistance to UNDP country offices for the procurement of goods from administrative budgets includes technical advice and the provision of information on reliable sources and prices. Direct procurement assistance is also provided upon request. In addition, IAPSO is well positioned and has the requisite capacity to provide support in the procurement of programme and project inputs under the national execution modality.

47. With more than 70 per cent of IAPSO procurement services provided to partners of UNDP outside the United Nations system, IAPSO contributes towards the forging of operational links among strategic allies for humanitarian assistance and development. Efficient cooperation has been established with a number of larger international NGOs supporting and supplementing United Nations relief and development operations. Due to its geographical location, IAPSO has specifically assisted European-based development agencies of major donor Governments, including underutilized major donor countries, currently accounting for more than 50 per cent of all procurement services provided. Limited direct procurement is carried out for other United Nations agencies.

48. In short, IAPSO services contribute to a more efficient use of non-United Nations aid funds and to the harmonization of the specifications, quality standards and compatibility of common-user items used for development cooperation and disaster relief. The considerable recent growth in demand for

the IAPSO services clearly demonstrates the need for such services by the development community. The Administrator shall ensure that IAPSO has the requisite capacity before providing procurement services for any new product group.

49. IAPSO procurement and advisory services are provided for a fee, covering all direct and indirect costs involved with the execution of a request. In general, this fee is 5 per cent of the total order value. However, for larger contracts of standard items or more complex orders, the fee may be adjusted based on estimated actual costs. Charges to UNDP country offices are calculated taking into consideration the nature of the procurement action and the allocation of resources by the country office to undertake the procurement action. IAPSO is currently undertaking a review of its current fee structure with a view to developing a more comprehensive fee schedule to accommodate the changing demands of clients in terms of both the nature and scope of services required.

2. Procurement training

50. In 1991, the IAPWG requested IAPSO to address the training needs of United Nations agencies in procurement-related matters and to coordinate training efforts for procurement staff of participating United Nations organizations, including field personnel. A pilot training programme was developed by IAPSO in 1992 with professional assistance from other United Nations organizations and external training consultants. Since then, 14 courses have been delivered in locations where United Nations agencies are based, with 203 participants from 21 organizations.

51. The training programmes focus on the development of procurement skills, mainly for junior procurement officers and senior procurement assistants. More specialized procurement training programmes are being developed in modular form in response to identified needs of the United Nations agencies. In addition, growing demand has been expressed by the United Nations organizations and UNDP country offices for specialized training, covering logistics, insurance, legal implications of procurement, procurement specifications, total quality management, and green procurement. IAPSO has initiated the development of such specialized courses, with a first course on logistics held in September 1995.

52. Training programmes are a self-financing activity of IAPSO, where participants cover the costs.

IV. FUTURE SCENARIO FOR IAPSO ACTIVITIES

A. Financing of IAPSO activities

53. In the overall context of downsizing and the UNDP budget strategy for 1996-1997, the Administrator believes that IAPSO activities should continue to be focused on its two basic mandates: (a) procurement and training services for UNDP and the development community and (b) research and development activities in support of its important inter-agency role, in line with General Assembly

resolution 32/197. As indicated to the Executive Board in document DP/1995/51, the Administrator believes that the direct procurement and training services should continue to be provided on a cost-recovery basis. Therefore, the related operational costs should be financed by fees derived therefrom as extrabudgetary income. On the other hand, research and development activities, which are considered the core functions of IAPSO, should continue to be provided as a free-of-charge service to United Nations organizations and should be financed from resources of UNDP, under programme support and development activities (PSDA). However, these activities should also gradually become self-financing.

54. The need for an inter-agency body such as IAPSO, which coordinates and amplifies the joint efforts by the United Nations organizations for productivity improvements in procurement matters remains valid. The strengthening of the inter-agency role of IAPSO is in line with the UNDP commitment to improved coordination of operational activities for development within the United Nations system. The efforts made by IAPSO to streamline operations and render procurement effective while safeguarding the accountability and transparency required in the utilization of public funds are also in line with the efforts of UNDP to assist the United Nations to become a cohesive force in development. The cost-efficient delivery of project/programme inputs has a major impact on timeliness and results of operational activities for development as well as emergencies.

55. Against this background and to support the core appropriation for IAPSO, the Executive Board took note, in its decision 95/28, of the proposal to reduce the number of professional budgetary posts from seven to four and the number of general service posts from eight to five. This action, accompanied by a corresponding reduction in general operating expenses, will result in a core IAPSO budget for the biennium 1996-1997 of $4,562,600, a reduction of $1,577,700 (26 per cent) from the biennium 1994-1995.

B. IAPSO services in support of programme activities

56. The core activities of IAPSO, described above, are supplemented by (a) its role as a self-financed specialized procurement services centre that assists donors and recipients of international development cooperation with cost-efficient and timely acquisition of requirements, upon their request; (b) its role as a provider of specialized procurement skills training programmes to the United Nations system and its development partners; and (c) its function as a United Nations business information centre for the donor community.

57. The Administrator foresees a special role for IAPSO in supporting procurement for programme and project inputs under national execution. As this area is expected to grow, IAPSO has developed a capacity for training and capacity-building as well as for the provision of direct procurement services.

58. IAPSO is committed to coordinated procurement with United Nations organizations. In this connection, discussions have been initiated with United Nations organizations, including UNOPS for possible cooperation in the provision of procurement services. Such efforts to attain coordinated procurement seek to achieve economies of scale in operations and lower overhead costs while

addressing any potential for the duplication of services within the United Nations system. The Administrator believes that any arrangement that capitalizes on individual strengths of concerned organizations would be beneficial and of service to the whole United Nations system and the development community. It is also expected that coordinated efforts will eventually result in increased business for all organizations concerned, through joint market-development initiatives, thereby sharing increased income resulting from larger markets, rather than shares in existing markets.

C. Monitoring and control mechanisms

59. With the anticipated continued growth of direct procurement activities, coupled with a larger part of the operations of IAPSO being financed from extrabudgetary income, the Administrator has decided to maintain an established minimum level in the balance of accumulated extrabudgetary income. Such balance will be maintained for contingency purposes, primarily as a provision against any unexpected shortfalls in extrabudgetary income. The level of the balance will be initially established at 20 per cent of the projected annual income from IAPSO extrabudgetary activities.

60. While procurement in the United Nations system is undertaken on a fully funded basis, as an additional safeguard for UNDP against potential losses derived from direct procurement activities on behalf of the development community, IAPSO requires non-United Nations clients and United Nations staff to effect payment in advance, on the basis of accepted pro-forma invoices. An alternative for larger donor development agencies is to enter into a general purchasing agreement with IAPSO to guarantee payment.

61. An integral element of management control mechanisms is the current implementation of an integrated computerized accounting and procurement system. This development, expected to be fully operational in early 1996, will produce greater operational efficiencies and a substantial improvement in accuracy and completeness of data, and will provide more cost-efficient services to clients. In addition, the new system will significantly improve facilities for management reporting and thus ensure better control and monitoring of operations, including income, so that timely action is taken to make required adjustments.

V. EXECUTIVE BOARD ACTION

62. The Executive Board may wish to:

1. Take note of the report of the Administrator on the activities of the Inter-Agency Procurement Services Office and express appreciation of the important inter-agency cooperation work undertaken by the Office within the framework of the Inter-Agency Procurement Working Group, which has proven to have an important impact on programme deliveries, economy of operations and transparency in the use of public funds;

2. Reaffirm that under its mandate for research and development on procurement-related matters for the United Nations system, the Inter-Agency

Procurement Services Office continue to promote inter-agency cooperation and coordination, where possible, finding ways of making such activities self-financing;

3. Also reaffirm that, under its mandate for procurement services, the Inter-Agency Procurement Services Office continue to provide a full range of such procurement services to the organizations of the United Nations system and to partners in development outside the United Nations system, including non-governmental organizations, Governments and government agencies, building upon the capacity it has developed in common-user items, as defined by the Inter-Agency Procurement Working Group, and other product groups for which the Administrator shall determine that the Inter-Agency Procurement Services Office has the requisite capacity;

4. Encourage the Inter-Agency Procurement Services Office to seek ways of coordinated procurement arrangements with United Nations entities to draw on respective strengths of each entity and thus provide better services to the development community, and in particular to programme countries;

5. Request the Inter-Agency Procurement Services Office to present a consolidated annual report to the Executive Board on its activities, including direct procurement, and provide a full statistical report on United Nations system procurement at its third regular session;

6. Confirm paragraphs 41 to 43 of its decision 95/28 with regard to the 1996-1997 biennial budget for Inter-Agency Procurement Services Office, including the modified staffing table and revised grade structures of IAPSO.

UNITED NATIONS

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UNITED NATIONS TECHNICAL COOPERATION ACTIVITIES

Report of the Secretary-General

1. The United Nations Department for Development Support and Management Services (DDSMS) was established by the General Assembly, by its resolution 47/212 B of 6 May 1993, in the context of the ongoing United Nations Secretariat reforms and in response to the need expressed by the Secretary-General:

> ... to sharpen the focus, and enhance the impact, of United Nations technical assistance to meet priority requirements of developing countries and countries in transition in respect of institution-building and human resources development. (A/C.5/47/88, para. 21)

2. The Department is the successor to other departments and entities in the United Nations Secretariat charged with technical cooperation responsibilities, going back to the earliest days of the Organization. Since its inception the new Department has taken numerous actions for strengthened and more forward-looking development assistance in several targeted areas.

3. The areas of DDSMS substantive concentration are (a) environmental management and social development and (b) public administration and development management. The first heading includes the clusters of natural resources and environment planning and management, energy planning and management, and social development management. The second includes the clusters of governance and public administration, public finance and enterprise management, and development planning and policies. With funding from the United Nations regular budget and extrabudgetary resources, the Department provides technical and managerial support and advisory services on request to bolster the development efforts of Member States. It furthermore conducts operational research and seminars, and provides parliamentary services to expert groups and intergovernmental bodies in the above areas.

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4. Orientation and guidance for the work of DDSMS comes from several sources: (a) the United Nations medium-term plan and biennial programme budget, and the associated processes and resolutions; (b) other resolutions of the General Assembly and the Economic and Social Council; (c) deliberations and decisions of the UNDP-UNFPA Executive Board, in relation both to the agenda item on United Nations technical cooperation and more broadly to the funding and programming of development assistance through UNDP; (d) the programmes of action of global conferences; and (e) most immediately and practically, the requests for assistance from developing countries and countries with economies in transition. In keeping with all these, the work of DDSMS is increasingly conceived along thematic, multisectoral lines, addressing the concerns of poverty elimination, sustainable human development, environment, and governance in its broadest sense.

5. In last year's report on United Nations technical cooperation activities (document DP/1994/26), the Executive Board received an overview of the programmes and capabilities of DDSMS, and information on the cooperation of the Department with other entities, especially with UNDP. The strong focus on technical capabilities and substantive services in that report fit well with the Board's deliberations and decision on the UNDP "Initiatives for change" proposals, and the related interest in creating a truly supportive environment for the programme approach, national execution, quality assurance, etc., by, among other things, using more effectively the linkages within the United Nations family.

6. In its decision 94/27 of 10 October 1994, on United Nations technical cooperation activities, the Executive Board noted and encouraged steps towards closer collaboration between DDSMS and the regional commissions and other entities of the Secretariat, and between the Department and UNDP in relation to areas of common concern, and, in this context, urged the Programme to consider greater utilization of the technical capacities of the Department.

7. The endorsement and encouragement of the Board has been a motivating factor in the succeeding months. DDSMS and UNDP have held a series of senior management and working-level meetings to identify areas for closer collaboration and joint initiatives. Also, DDSMS prepared and widely distributed a compendium on its technical capabilities, including fact sheets on the programmes and biographical information on the substantive personnel already engaged or readily available. The Administrator sent a circular to all heads of regional bureaux and all resident coordinators/resident representatives on measures to maximize the use of expertise available from the Department. DDSMS has strengthened and regularized its consultative relations with visiting resident coordinators/ resident representatives. The Department has also taken on loan a senior staff member from UNDP to serve as senior adviser to the Under-Secretary-General and has in turn loaned one of its senior staff to the UNDP Office for United Nations System Support Services (OUNS).

8. These actions are having significant implications in terms of working relations and cross-fertilization of ideas generally, and in a quantifiable manner through UNDP funding of DDSMS substantive work through the mechanisms for technical support at the programme level (TSS-1) and at the project level (TSS-2). An increasing proportion of the Department's work is in the provision

of upstream technical guidance and advice to Governments and assistance in the context of national execution of UNDP-funded development efforts. The natural partnership of UNDP as a body for coordination, resource mobilization and initial programming and DDSMS as one of the United Nations system centres of excellence for substantive contributions to development, is accordingly gaining further strength.

9. UNDP regional bureaux and the Department have been working together in various programming exercises and in programme and project development in the priority areas of poverty elimination, environment, employment, women, and governance, including follow-up to recent global conferences and implementation of the United Nations System-wide Special Initiative on Africa (formerly known as the Secretary-General's Special Initiative on Africa).

10. UNDP and DDSMS are also working in support of the training courses on the management of development: national capacity-building, being offered to developing countries through the International Labour Organization (ILO) International Training Centre at Turin, Italy. Institutionalization of such training programmes in several African countries is now getting under way through DDSMS-Turin joint action, with UNDP encouragement and funding. This also responds to Executive Board decision 93/30 of 18 June 1993, in which, inter alia, the Board invited further attention from DDSMS to the strengthening of national capacities for programme management and project execution and implementation.

11. Most recently, the Department and UNDP have been seeking to maximize their comparative advantages in assistance to countries in the very important area of post-conflict rehabilitation and recovery. Collaboration is being strengthened both in relation to the related regional bureaux and the UNDP Emergency Response Division. DDSMS, together with UNDP and the United Nations Department for Humanitarian Affairs, have been requested by the Consultative Committee for Programme and Operational Questions (CCPOQ) of the Administrative Committee on Coordination (ACC), to engage in consultations and the preparation of several papers that may be useful at the system-wide level (see ACC/1995/18).

12. Partnership is also being built between DDSMS and the United Nations Office for Project Services (UNOPS), through an agreement whereby UNOPS may increasingly call upon the substantive capabilities of DDSMS and the Department may call upon the project-servicing capabilities of UNOPS. In the light of the information in the above-mentioned DDSMS compendium and through strengthened contacts at the working level, the two are identifying and targeting areas for cooperation, including activities to be implemented with expertise from the Department. Joint staff meetings on selected topics have been instituted to stimulate better knowledge and understanding of the comparative advantages of the two and to foster team work in the best interest of the countries requesting assistance. The first such area is post-conflict peace-building, where the current situation in several countries provide new opportunities for common efforts.

13. DDSMS, UNDP and UNOPS are building new collaborative relations through the mechanism of the UNOPS Management Coordination Committee (MCC), where the heads of UNDP, DDSMS and the Department for Administration and Management are members

and the Executive Director of UNOPS is the Secretary. An early focus of attention is again post-conflict peace-building. At the urging of the UNDP Administrator, a paper on roles and functions in the field of reconstruction and rehabilitation has been prepared for submission to the MCC for endorsement as a basis for action.

14. With regard to the regional commissions, certain posts and financing relating to natural resources and energy were decentralized to them under the United Nations programme budget for the 1994-1995 biennium, and the Management Board of the United Nations Programme in Natural Resources and Energy was established, chaired by the Under-Secretary-General for DDSMS. This was agreed upon and carried out in 1994, and has led to adjustments in the functions of DDSMS. The Department now focuses more on natural resources and energy planning and management while also helping in the development of joint programmes with the commissions and assisting them in strengthening regional programmes in the related fields.

15. As may be seen from the above paragraphs, and in the annex on highlights of the Department's current work, DDSMS is continuing to evolve in its substantive achievements and its institutional relations. Clearly, the technical cooperation and normative activities carried out by the Department remain valid and are increasingly in demand by UNDP and others in the changing situations of many countries. The need for DDSMS technical cooperation efforts remains; the nature of the need is changing. The Department is strengthening its capacities to meet these challenges and to respond to opportunities.

Executive Board action

16. The Executive Board may wish to:

1. Take note of the report of the Secretary-General (DP/1996/7);

2. Invite the Department for Development Support and Management Services, the United Nations Development Programme and other United Nations entities and departments to give further attention to strengthened programmatic linkages within their respective mandates;

3. Invite the Department to give further emphasis to strengthening national capacities for programme management and project execution and implementation, both substantively and operationally, upon request;

4. Invite the Department to take further action for reconstruction and development in post-conflict situations in response to the needs and requests of affected countries.

Annex

HIGHLIGHTS OF DDSMS CURRENT WORK

Organizational reform and redefinition

1. Born of the United Nations Secretariat reform process, and participating in the associated functional redefinitions, DDSMS is actively engaged in the integration and adjustment of its substantive capabilities to respond more effectively to the requirements of Member States. This process includes an ongoing and critical review of the Department's internal capacities to ensure that the skills and experience at hand can respond to evolving needs, both operational and normative.

2. The Department sees its mission as essentially that of assisting developing countries and transitional economies in managing their development. This objective is being achieved through technical cooperation in building human and institutional capacities, which is necessarily a multidisciplinary endeavour, involving a number of interrelated components. Support in achieving more efficient government through strengthening macroeconomic planning and management, improving public administration and civil service, assisting the attack on poverty through social development and social integration of vulnerable groups, tackling the social dimensions of structural adjustment, assisting in the management and more rational use of scarce natural resources - all these aspects of DDSMS responsibility are aimed at ensuring that development efforts undertaken in countries are successful and sustainable. The Department is becoming increasingly active in TSS-1 and TSS-2 responsibilities funded through UNDP. Its related portfolios are growing in development planning and policies and in other substantive fields. Attention is also increasingly being directed to post-conflict reconstruction and rehabilitation, for assistance in rebuilding government structures so that basic services can be provided in a sustainable manner and so that conflict will not occur again.

3. Successful response to these needs requires a broad-based, flexible and responsible cadre of substantive specialists, who are sectorally state-of-the-art and capable of innovation, multidisciplinary cooperation and teamwork. The Department is devoting considerable attention to this aspect of internal reform.

Follow-up to recent global conferences

4. As the Department in the Secretariat responsible for operationalizing development concepts, and for providing linkage between global agreements and country-level realities, DDSMS has an important role to play in the follow-up to conferences such as the World Summit for Social Development (WSSD) and the Fourth World Conference on Women, both held in 1995.

5. With regard to the WSSD Programme of Action, the Department's initial efforts focus on action at national and community levels in such areas as: formulation of comprehensive social development strategies; modernization of state mechanisms in order to implement these strategies through programmes at

various levels; and strengthening the capacity of communities to conceive, design and implement social development programmes that benefit them directly.

6. In several cases, DDSMS is assisting countries in formulating social development or human development strategies specifically in response to recommendations made by the Social Summit. With support from the Government of Sweden, Swedish public sector organizations and UNDP, the Department convened in October in Stockholm a conference and workshop on public administration and social development, as follow-up to WSSD.

7. Assisting countries to formulate integrated development plans is one of the main functions of the Department. To deal better with the social side of socio-economic development, DDSMS has devised a training programme for economic planners that focuses on the social impact of the economic policies likely to be implemented, and how all those concerned should interact in a mutually supportive way. The experts who attended a panel organized by DDSMS on preparing social strategies as a follow-up to WSSD came to the same conclusion, namely that social and economic planners must become more conversant with each other's issues and need to interact effectively.

8. Decentralization of responsibilities to local communities is another important instrument of social development, requiring the strengthening of local government capacities to undertake social development programmes. DDSMS has conducted seminars and studies on the theme of effective decentralization of such programmes and is disseminating the results.

9. The ultimate success of the Fourth World Conference on Women and its Platform of Action will depend on the degree to which strategies seeking to achieve sustainable development embody the full participation of both women and men. In order to participate fully in the development process, women must be capable, self-confident, and empowered. The Department's activities are consciously being designed to reflect the reality that it is essential to empower women and improve their status to realize the full potential of economic and social development.

10. DDSMS is increasingly engaged in helping support women's productive activities as independent generators of income and their social and political empowerment as leaders and decision makers from the community level on up. Projects, studies, seminars and advisory services are taking shape that elicit the Department's contributions, ranging from women's involvement in artisanal small-scale mining, to rural credit schemes, to the development of African women's entrepreneurial skills, to the fostering of gender awareness in the civil service and public enterprises, to improving the access of women to positions of influence and authority in public policy.

Preparations for resumed fiftieth session of the General Assembly on public administration and development

11. The increasing complexity of public administration, finance and public sector management in general, and their interaction with the private sector, has prompted the General Assembly to turn its attention to the importance of public

administration and development. At its forty-ninth session the Assembly adopted resolution 49/136 of 19 December 1994, on public administration and development, by which it called for a resumed fiftieth session in April 1996 to examine this question, exchange experiences, review the activities of the United Nations in this field, and make recommendations, as appropriate.

12. This is the first time that the General Assembly will organize a special meeting to discuss exclusively the question of public administration although the central programme of the United Nations in this field goes back to the earliest years of the Organization. The resumed session is geared to heighten international awareness of the key role of public administration in development and to enhance international cooperation in this field.

13. Among the various elements of preparation, the Assembly has requested the Secretary-General to submit to it a consolidated report, through the Economic and Social Council, containing an analysis of the role of public administration in development and recommendations for strengthening the role of the United Nations in this field for the benefit of interested developing countries and countries with economies in transition. DDSMS has responsibility for this report and for the overall coordination of preparations for the session.

14. The Assembly has requested involvement from numerous sources. All Member States have been invited to participate actively in the resumed session and to be represented at the highest possible level. The Group of Experts on the United Nations Programme on Public Administration and Finance, a subsidiary body of the Economic and Social Council serviced by DDSMS, has been asked to provide information about experience gained in assisting developing countries and countries with economies in transition. UNDP, the regional commissions, other relevant United Nations organizations, and interested non-governmental organizations have all been invited to make contributions.

15. In addition, a technical committee has been constituted to provide general guidance and to contribute to the preparation of the resumed session. The Committee includes representatives from the World Bank, UNDP and ILO. Affiliated institutions are the International Institute of Administrative Sciences and the Kennedy School of Government at Harvard University.

16. Laying the groundwork for the resumed session, the Group of Experts held their biennial meeting at Headquarters from 31 July to 11 August 1995. More than 50 international experts discussed themes that included policy development, administrative restructuring, civil service reform, the role of public administration in promoting social development, financial management, post-conflict rehabilitation and reconstruction of government machinery, public-private sector interaction, and the role of public administration in the management of development programmes. Recommendations of the Group have been submitted to the Council at a resumed session. The recommendations for action, and the Council's comments, will serve as the basis for the report of the Secretary-General to the Assembly.

Natural resources, energy and the environment

17. DDSMS has an important role in assisting Governments for the strategic coordination of natural resources and energy development, planning and management at the national and local level. The matter has particular urgency for the least developed countries, where the implementation of natural resources development has to be both accelerated and made sustainable in technical, environmental and financial terms. Some examples follow.

18. Requests for DDSMS assistance are increasingly aimed at integrating natural resources and energy development with the broad concerns of sustainable development, including advisory services for formulating country programmes. This is particularly important in environmental matters, which necessarily cut across economic sector activity.

19. In water resources planning and management, DDSMS is an experienced technical agency of the United Nations system. Projects have evolved - from simple provision of rural water supply and training of technicians, to complex interventions involving models, computer software packages, capacity-building and community empowerment. In several West African countries, for example, current work focuses on the participation of all basin stakeholders in decision-making and the introduction of new regulatory principles. Participatory approaches are being used to improve management and protect resources, from local sub-catchments to the entire basin.

20. For capacity-building in water resource organizations, DDSMS assists in training national multidisciplinary teams and using advanced tools for integrated water resources management. DDSMS has helped to establish networks for assessing water supply and demand, which provide essential inputs to planners formulating strategies for water and land use, protection and conservation, and for making decisions on water allocations. Examples of this are the establishment of computer-based economic planning models in China and the Sudan, incorporating geographical information systems (GIS) databases with water resource allocation techniques that reflect social, environmental and economic criteria. In November 1995, the Department released its sales version of "Groundwater software for Windows". This was developed in two versions over a period of eight years, with initial support from UNDP. The software provides a package for total management of groundwater resources.

21. In the extractive resources sector, artisanal mining is an economic mainstay of many rural communities in Africa, Asia and Latin America, providing income for local economic and social development. Many developing countries and economies in transition are interested in formalizing artisanal mining into legal, small-scale mining so as to maximize revenue and minimize environmental degradation. DDSMS is currently acting as a catalyst in several such national efforts through activities emphasizing legislative approaches as well as community mobilization.

22. DDSMS is also focusing on energy services and poverty, particularly in least developed countries. In promoting access to energy, DDSMS support combines income-generating activities with education. Current energy programmes for rural and poor urban populations concentrate on sources that will enhance

community capacities to generate income and eventually improve both the domestic energy supply and material well-being. Such an approach requires close collaboration between the technical experts and the communities involved.

23. DDSMS has broad experience in assisting Governments in land use planning and the development and use of GIS. One application is to assess environmental damage by using this technology for thematic mapping. In Bulgaria for example, DDSMS is assisting with GIS for the assessment of polluted agricultural lands, leading to better management and development. The system will contribute to a cadastral and land registration system and the production of land use maps. In India, DDSMS is assisting the Government to use GIS technology for local-level development planning.

24. One recent meeting deserves special mention: the International Symposium on Coal Bed Methane, held in October 1995 in Beijing. This brought together more than 90 participants from 20 developing and industrialized countries, as well as 100 representatives from China. Discussion focused on the prospects for recovery and use of coal-bed methane, which is an emerging technology with promise as a new, clean and economical use for coal, indeed substituting for coal as a high-quality, environmentally preferred fuel. The Symposium also reviewed the status and potential of ongoing coal-bed methane recovery projects in China. Coal mines in that country characteristically have high seepage rates of the gas, with consequent danger of atmospheric pollution and a grave risk to the safety of miners and the productivity of the mines. To help address this problem, DDSMS is assisting China through a $10 million programme funded by the Global Environment Facility (GEF).

25. The Symposium explored the questions of attracting advanced technologies, promoting more foreign investment, and increasing the emphasis on coal-bed methane use in other developing countries. Twenty foreign companies are currently conducting coal-bed methane exploration and research in China. Representatives attended from many of these, including AMOCO, TEXACO, ENRON and MITSUI. Organized by DDSMS in cooperation with the Government of China, Symposium co-sponsors included UNDP, the Asian Development Bank, the United States Environmental Protection Agency and the Ministry of International Trade and Industry of Japan.

Post-conflict rehabilitation and recovery

26. The outbreak of within-country conflicts throughout the world has highlighted the interdependence and interaction between peace, improvement of the human condition, and development, as societies must often begin to reconstruct their human and administrative infrastructures even before conflict has ceased. DDSMS is increasingly being called upon to address the specific requirements of countries in crisis, which need assistance in rebuilding government structures so that basic services can be provided to their populations in a sustainable manner and so that an environment is created where conflict does not resume.

27. Such DDSMS assistance is directed towards rebuilding government institutions; social welfare programmes; multisectoral pilot reconstruction

projects and economic recovery programmes; preparation of plans for dealing with demobilization; support to vulnerable groups, especially women; re-establishing water, energy and physical infrastructure requirements; promotion of popular participation in rehabilitation; and self-help reconstruction.

28. With its mandate, experience and capacity, the Department is a natural partner of national authorities and communities in rehabilitation and recovery of war-torn societies. Technical cooperation in rebuilding good governance, reinforcing the healing process of society, and reconstructing the economy of a country emerging from conflict and devastation is of paramount importance.

29. In Rwanda, DDSMS is providing support to the process of restoring technical, human, logistical and institutional capacities of the country's public administration through a project on emergency rehabilitation of the capacities of economic management. This aims at establishing, in key ministries, small operational units endowed with a minimum of functional logistics and composed of national and international short-term expertise to provide policy advice and to generate new programmes. Also in Rwanda, DDSMS is involved in a programme for the rehabilitation of the country's judicial system.

30. In Haiti, DDSMS is providing support to the rejuvenation of public sector management by strengthening public institutions and training civil service employees. In Yemen, the Department is assisting in the rehabilitation of water supply systems and sanitation facilities damaged by conflict. In Bosnia and Herzegovina and in Croatia, DDSMS is engaged in several multisectoral pilot projects for social service, and is involved in preparations for the rebuilding of the infrastructure, the planning of economic reconstruction, and the re-establishment of government machinery and municipal services. In Angola and Mozambique, election assistance and planning for development have been early priorities. In Liberia, recent development planning and social development management missions have focused on project preparation related to the resettlement of internally displaced persons, and related community development. In the Occupied Territories, plans are being made to help to establish civil service structures and to help to strengthen the ability of public finance specialists to administer the incoming foreign funds for development.

31. To help to stimulate a better exchange of ideas on post-conflict reconstruction strategies, the Department organized a colloquium in June in Austria, with support from the Government of Austria and in cooperation with the Austrian Centre for Peace and Conflict Resolution. This informal gathering brought together representatives from several Governments, as well as a number of United Nations departments and agencies, non-governmental organizations and academic institutions. The main issues included principles and mechanisms for United Nations action; identification of needs and capabilities; design and implementation of reconstruction and development plans; and securing of external resources and support. The chairman's synopsis of the meeting was submitted to CCPOQ as a basis for discussion at its September session (ACC/POQ/INF.11), which led to the actions cited above in the main section of the present document. Moreover it has, at the request of the Government of Austria, been published as a document of the General Assembly (A/50/345).

Statistical information for 1994

32. During 1994, DDSMS had more than 1,000 technical cooperation projects under execution in a dozen substantive sectors, with a total project expenditure of some $100.6 million. Projects financed by UNDP represented $50.5 million; those by trust funds, $39.5 million; by UNFPA, $7.3 million and by the United Nations regular programme of technical cooperation, $3.3 million.

33. On a geographical basis, the DDSMS-executed programme included expenditures of $44.5 million in Africa; $21.6 million in Asia and the Pacific; $17.8 million for interregional and global programmes; $11.0 million in Arab States; $4.4 million in the Americas; and $1.3 million in Europe. Project delivery in Africa remained the largest, with a 44 per cent share of total delivery.

34. Distribution of expenditures by substantive sectors was as follows: social development management, $2.6 million; energy, $10.5 million; natural resources and environment planning, $20.3 million; development policies and planning, $23.1 million; governance and public administration, $14.4 million; public finance and enterprise management, $5.0 million; national execution and capacity-building, $10.3 million; advisory services and training, $0.1 million; statistics, $7.6 million; population, $4.5 million; and the United Nations Educational and Training Programme for Southern Africa, $2.2 million. Of the total of $100.6 million, development policies and planning comprised 23 per cent; natural resources and environment planning, 20 per cent; and governance and public administration, 14 per cent.

35. On a component basis, DDSMS delivery in 1994 included $56.6 million for project personnel; $5.5 million for subcontracted services; $12.0 million for training; $20.3 million for equipment; and $6.2 million for miscellaneous expenses.

36. Information of participation in the programme for developing countries and by women is as follows: equipment purchased in developing countries totalled $1.6 million, or 11 per cent of the total. Of the 905 international project personnel serving during the year, 405, or 45 per cent, were from developing countries and 120 or 14 per cent, were female. Of the total of 2,716 training placements made during the year, 1,422, or 52 per cent, were for study in developing countries. Trainees themselves numbered 2,511 and of these 623, or 25 per cent, were female.

37. Table 1 provides information on technical cooperation project expenditures by organizational entity of the United Nations, including DDSMS, the United Nations Centre for Human Settlements, the United Nations Conference on Trade and Development and the five regional commissions. Table 2 provides information on DDSMS project expenditures by field of activity. Additional details are available from the Department.

Table 1 UNITED NATIONS: 1994 PROJECT EXPENDITURES BY ORGANIZATIONAL ENTITY AND SOURCE OF FUNDS

(Thousands of United States dollars)

	DDSMS	UNCHS	UNCTAD	ECA	ECE	ECLAC	ESCAP	ESCWA	TOTAL
A. United Nations regular programme of technical cooperation									
Sectoral advisory services	3,342	-	-	-	-	-	-	-	3,342
Regional and subregional advisory services	-	374	700	3,006	1,014	1,892	2,094	1,282	10,362
Total A	3,342	374	700	3,006	1,014	1,892	2,094	1,282	13,704
B. UNDP									
Indicative planning figures	40,869	12,881	8,505	218	63	527	2,606	73	65,742
Special Programme Resources	3,086	148	283	(5)	-	-	(11)	-	3,501
Special Measures Fund for the Least Developed Countries	540	1,500	(6)	-	-	-	-	-	2,034
Government cash-counterpart contribution	1,321	5,372	-	-	-	-	-	-	6,693
TSS-1	2,152	-	-	-	-	-	-	-	2,152
TSS-2	2,572	-	-	-	-	-	-	-	2,572
Total B	50,540	19,901	8,782	213	63	527	2,595	73	82,694
C. UNFPA Total C	7,294	-	-	1,781	917	1,145	1,841	329	13,307
D. Trust funds									
Recipient Government and others	28,908	2,300	11,011	1,344	639	4,480	10,677	37	59,396
Associate experts	8,358	784	437	-	-	-	-	-	9,579
United Nations Educational and Training Programme for Southern Africa	2,200	-	-	-	-	-	-	-	2,200
Total D	39,466	3,084	11,448	1,344	639	4,480	10,677	37	71,175
GRAND TOTAL	100,642	23,359	20,930	6,344	2,633	8,044	17,207	1,721	180,880

Table 2 DDSMS: 1994 PROJECT EXPENDITURES BY FIELD OF ACTIVITY
(Thousands of United States dollars)

FIELD OF ACTIVITY	Regular programme	UNDP			UNFPA	Trust funds	TOTAL	Percentage of total
		Core programme	TSS-1	TSS-2				
SOCIAL DEVELOPMENT MANAGEMENT	177	1,044	66	70	-	1,241	2,598	2.6
ENERGY	382	1,402	315	236	-	8,132	10,467	10.4
NATURAL RES. AND ENVIRONMENT PLANNING	571	13,988	820	932	-	4,044	20,355	20.2
DEVELOPMENT POLICIES & PLANNING	1,091	10,840	508	560	-	10,102	23,101	23.0
GOVERNANCE AND PUBLIC ADMINISTRATION	499	10,820	347	391	-	2,378	14,435	14.3
PUBLIC FINANCE AND ENTERPRISE MANAGEMENT	596	2,971	64	108	-	1,259	4,998	5.0
NATIONAL EXECUTION AND CAPACITY-BUILDING	26	1,550	-	162	-	8,600	10,338	10.3
ADVISORY SERVICES AND TRAINING	-	(6)	-	-	-	53	47	0.0
STATISTICS	-	2,543	32	113	3,450	1,458	7,596	7.5
POPULATION	-	664	-	-	3,844	(1)	4,507	4.5
UNITED NATIONS EDUCATIONAL AND TRAINING PROGRAMME FOR SOUTHERN AFRICA	-	-	-	-	-	2,200	2,200	2.2
Total	3,342	45,816	2,152	2,572	7,294	39,466	100,642	100.0

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Follow-up to and preparation for the Economic and Social Council

Note by the Administrator

I. PURPOSE

1. The present note is intended to apprise the Executive Board about measures taken by UNDP to follow up on the main conclusions of the 1995 substantive session of the Economic and Social Council. The main conclusions of the session are contained in resolution E/1995/51; other pertinent resolutions are E/1995/56 and E/1995/50.

2. In particular, the report presents information to the Executive Board on issues pertaining to follow-up to international conferences, scheduling of future meetings of the Board, monitoring and evaluation activities, budgetary issues and humanitarian issues. More detailed reports on these issues will be submitted to the Board at subsequent sessions in response to specific requests.

II. PRIORITIES FOR UNDP ASSISTANCE

3. In its resolution E/1995/51, the Economic and Social Council requests United Nations funds and programmes to give high priority in their budgets to least developed countries (LDCs), low-income countries and countries in transition. In its landmark decision 95/23, the Executive Board approved successor programming arrangements that are aimed at achieving an even higher degree of progressivity than in the previous cycles in the assignment of resources to LDCs and low-income countries. Thus, for instance, the new arrangements require that 60 per cent of core resources be allocated to LDCs as compared to 55 per cent in the fifth programming cycle (1992-1996). In fact, more than 58 per cent of fifth cycle resources have been allocated to LDCs. The

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share for low-income countries will increase to 88 per cent of core resources as compared to 87 per cent in the fifth cycle. It is also expected that the allocation to Africa in general will be higher than that in the last programming period.

4. Under the new successor arrangements, the Europe and the Commonwealth of Independent States region will receive, on an annual basis, more than double the resources it received on the fifth programming cycle. The Executive Board also decided to allocate an additional 0.5 per cent of core resources to this region, given the special needs and requirements of countries with economies in transition.

A. Follow-up to international conferences

5. In its resolution E/1995/51, the Economic and Social Council also requests the Executive Boards of funds and programmes to take fully into account the relevant resolutions and recommendations of United Nations conferences in the economic, social and related fields in establishing their priorities.

International Conference on Population and Development (ICPD)

6. UNDP has direct involvement in a number of key ICPD themes, such as HIV/AIDS, where it collaborates closely with the Joint and Co-sponsored United Nations Programme on HIV/AIDS (UNAIDS). UNDP has not only helped to strengthen government capacity to respond to the epidemic, but also that of non-governmental organizations (NGOs) and community-based organizations (CBOs), by enhancing their capacity to monitor, document, evaluate and enhance programme design and implementation. Partnership programmes are being supported in, for example, Bangladesh, Djibouti, India, Mexico, Nigeria and Senegal. UNDP has supported research networks, particularly in the Africa region and has participated in interregional and regional as well as country-level conferences, workshops, consultations, and planning and evaluation exercises often in collaboration with partner agencies, including the United Nations Population Fund (UNFPA).

7. UNDP has also collaborated with other United Nations agencies on a number of HIV/AIDS inter-agency activities, such as the Paris AIDS Summit, the Inter-Agency AIDS Advisory Group (IAAG) and others. In the broader context of inter-agency collaboration in the follow-up to the World Conference on Education for all, of which UNDP was a core sponsor, UNDP has collaborated actively with the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Children's Fund (UNICEF) and UNFPA on the Education for All (E-9), including the mini-summit held in conjunction with the World Summit on Social Development (WSSD) and, most recently, in the E-9 held in September 1995.

World Summit on Social Development

8. UNDP has launched a number of initiatives since WSSD not only to maintain the momentum of this unprecedented event at the forefront of the national development agenda in its programme countries but also to fulfil the mandate

given in June 1995 to UNDP by its Executive Board - namely to make poverty elimination UNDP's "overriding" concern.

9. The Bureau for Policy and Programme Support (BPPS) has sought to guide the UNDP implementation of the WSSD agenda through the preparation of a poverty eradication policy framework for country strategies, which analyses strategic entry points for multisectoral action. BPPS, the Regional Bureau for Africa and the Regional Bureau for Asia and the Pacific have held meetings with the World Bank and UNICEF to review collective experience in the areas of poverty indicators and poverty assessments and monitoring, so as to identify possibilities for collaborative action to be undertaken at the country level. The Administrator has also taken a decision following WSSD to redeploy $10 million from Special Programme Resources (SPR) for national poverty eradication efforts, especially to encourage and support the formulation and implementation of national policies and strategies that will contribute substantially to reducing overall poverty in the shortest possible time, diminishing inequalities and eradicating absolute poverty by a target date to be specified by each country in its national context.

Fourth World Conference on Women

10. Since the Conference, UNDP has been preparing for a strategic contribution to the implementation of the Platform for Action. The Platform indicated that resident coordinators will play a key role in the implementation of the Platform agreements; UNDP will ensure that they are given the support that they need to carry out this responsibility. UNDP will be working hard to ensure that gender concerns are mainstreamed throughout its policy, programme and administration procedures and practices, and that Governments are fully supported as they seek to incorporate the Platform requirements into their own national planning processes.

11. UNDP is collaborating with the United Nations Research Institute for Social Development in the development and application of methodologies and tools for the incorporation of gender information into national development planning processes. These are being tested in Bangladesh, Jamaica, Morocco, Viet Nam and Uganda. UNDP is also collaborating with the Food and Agriculture Organization of the United Nations, the International Labour Organization and the United Nations Industrial Development Organization and other agencies in the development of socio-economic and gender-analysis training materials. The aim is increased capacity of national-level development professionals to implement the Platform for Action and to develop national plans and programmes that incorporate engendered socio-economic analysis. The intention is to build upon and utilize local capacity to carry out gender analysis, policy research, training and programme implementation.

B. Scheduling of Executive Board meetings

12. As requested in paragraph 5 of Economic and Social Council resolution E/1995/50, the secretariat of the UNDP/UNFPA Executive Board proposed at the third regular session of the Board that the dates for the annual session be moved forward to 6-17 May 1996 if the session is held in Geneva and 13-24 May if

held in New York. The Executive Board endorsed this proposal in its decision 95/37 of 15 September 1995.

13. The request for funds and programmes to report jointly to the Economic and Social Council through the Secretary-General on questions relating to coordination, cooperation, the division of labour, and on other issues they consider important (E/1995/51, para. 8) has been added to the agenda of the Joint Consultative Group on Policy (JCGP) general meeting schedules for December 1995. Immediately following the 1995 substantive session of the Economic and Social Council, UNDP took the initiative of apprising the International Fund for Agricultural Development (IFAD), the current Chair of JCGP, of the request for joint reporting. UNDP will take a very supportive position on the item at the JCGP meeting in December 1995 and will seek through the formal and informal channels within JCGP to reach early consensus on the matter.

C. Monitoring and evaluation

14. In its resolution E/1995/51, the Economic and Social Council requests United Nations funds and programmes to attach high priority to their procedures for monitoring and evaluation activities. In this context, UNDP has taken a number of significant initiatives, including the merging of evaluation and strategic planning functions in the Office of Evaluation and Strategic Planning (OESP), which is now reporting directly to the Administrator; the launching of strategic and timely evaluations on such aspects as national execution, cost-sharing, the resident coordinator system, evaluations of SPR-funded programmes on key areas that led to concrete actions for improvement: poverty alleviation, aid coordination, the Human Development Report, technical cooperation among developing countries (TCDC), HIV/AIDS, the Management Development Programme, environment and refugees in Latin America; the development of a programme impact performance assessment in several centres of experimentation; an improved system for monitoring the compliance of evaluation requirements at the project level; and an initiative to decentralize the evaluation database at the country level.

15. With respect to improving national participation in the process of evaluation of the efficiency and effectiveness of assistance provided by the United Nations funds and programmes, the following activities have been reinforced: two regional training courses on monitoring and evaluation for government officials and national staff from UNDP country offices have been conducted in Addis Ababa and Buenos Aires; country analysis of monitoring and evaluation capacity at the request of programme countries, e.g., Jordan, Morocco and Paraguay; a critical review of UNDP efforts in producing these country analysis reports has been carried out that will lead to a refinement of the terms of reference for the exercise, and a better dissemination of the findings; and a development of a portfolio of country programme evaluations with more involvement of national expertise in these exercises.

16. UNDP has also undertaken measures to promote greater collaboration among United Nations funds and programmes in the evaluation of their activities. In particular, UNDP has been very active through the different coordination mechanisms such as the JCGP Sub-group on Harmonization led by UNFPA, the

Inter-Agency Working Group on Evaluation led by UNDP and the Administrative Committee on Coordination panel of experts on rural development led by IFAD.

D. Budgetary issues

17. The budgetary reductions introduced by UNDP for 1996-1997 will be the third consecutive reduction in a strategy initiated four years ago in the context of the 1992-1993 budget. UNDP expects to reduce administrative costs by $106 million by the end of 1997 compared to 1992 and reduce the total number of core staff positions by more than 600.

18. In paragraph 10 if its decision 95/28, the Executive Board appreciated the proposal of the Administrator to continue a restrictive budget policy and to implement volume reductions with the aim of maximizing the resources that are available for programme and programme support activities.

19. With the view to promoting greater budget transparency, the current presentation of the UNDP budget was developed over time in consultation with the Advisory Committee on Administrative and Budgetary Questions and the Governing Council, starting with the revised budget estimates for 1990-1991 and budget estimates for 1992-1993. UNDP has been and continues to be fully committed to contributing towards the harmonization of budget presentations.

20. In paragraph 2 of its decision 95/30, the Executive Board also took note of the continuous commitment of UNDP to contribute to the harmonization of budget presentations. In this connection, UNDP is working closely with UNFPA and UNICEF in the preparation for the various reports and proposals on this subject, as requested in decision 95/30.

E. Humanitarian issues

21. In order to provide the Economic and Social Council with requested inputs in line with resolution E/1995/56, UNDP is examining its coordination and operational responsibilities, together with its operatives and financial capacity to respond to countries in special situations. In particular, the following four activities are under way:

(a) Review of UNDP pre-crisis, crisis and post-crisis services and programmes in order to establish an effective corporate approach to deal with countries in special situations;

(b) Formulation of successor programming arrangements for countries in special situations;

(c) Assessment of UNDP capacity to fulfil its mandate to respond effectively to countries in special circumstances;

(d) Participation in an inter-agency task force established by the Inter-Agency Standing Committee on Humanitarian Operations to develop a common approach to deal with the follow-up to resolution E/1995/56.

22. The Administrator will include in his reports to the Executive Board at its second regular session and at its annual session substantial information on progress in the above activities.

III. EXECUTIVE BOARD ACTION

23. The Executive Board may wish to

Take note of the present note.

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SUPPORT FOR AND COLLABORATION WITH THE JOINT AND CO-SPONSORED UNITED NATIONS PROGRAMME ON HIV AND AIDS (UNAIDS)

Report of the Administrator

I. PURPOSE

1. The present report is submitted pursuant to discussions held at the annual session 1995 of the Executive Board whereby an item on UNDP support to the establishment of the Joint and Co-sponsored United Nations Programme on HIV and AIDS (UNAIDS) be added to the agenda of the third regular session 1995. Owing to time constraints, this item was moved to the agenda of the first regular session of 1996.

II. BACKGROUND

2. Since the annual session 1995 of the Executive Board, UNDP has observed with great pleasure the continuing progress made by the Executive Director of the Joint and Co-sponsored Programme on HIV and AIDS (UNAIDS) and his staff in preparing for the formal establishment of UNAIDS on 1 January 1996. During this period, UNDP has continued to support the efforts of the Executive Director and his team in the development of the Programme.

III. UNDP ACTIVITIES IN SUPPORT OF UNAIDS

3. The Administrator and his senior staff have continued to be in frequent contact with the Executive Director and his colleagues on matters relating to the Committee of Co-sponsoring Organizations (CCO), the Programme Coordinating Board (PCB) and the development of UNAIDS.

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4. UNDP has seconded a senior staff member to UNAIDS and a second secondment is under discussion. UNDP is also reviewing contributions in cash and kind to global UNAIDS activities for 1996-1997.

5. UNDP also continues to work closely with UNAIDS staff responsible for developing an approach at the country level.

6. Pursuant to discussions at the annual session 1995 of the Executive Board, the Administrator has written to all resident coordinators to bring them up to date on UNAIDS and has requested them to begin in-country consultations on how best to support and/or strengthen United Nations theme groups on HIV/AIDS.

7. In the interest of further developing and understanding how best to work at the country level, UNAIDS coordinated a series of three country visits (to Honduras, Viet Nam and Zambia) carried out by teams including UNAIDS staff members, co-sponsor representatives, government officials and representatives of non-governmental organizations. UNDP contributed actively to the preparations of these country visits, co-facilitated the briefing session and participated in the mission to Zambia.

8. In collaboration with UNAIDS and as directed by the Economic and Social Council, UNDP has continued, during the transition period, to undertake its HIV and development programme activities, including:

(a) Programme development, support and backstopping to integrate HIV activities more effectively into key UNDP programming areas;

(b) Activities carried out in consultation with UNAIDS, including support for HIV-related networks, capacity-building for socio-economic research relevant to programme development, defining approaches to minimize the socio-economic impact of the epidemic on development and training on HIV, governance and development;

(c) Support for the resident coordinator system in the establishment and strengthening of the thematic groups on HIV and AIDS; and

(d) Collaboration with UNAIDS and partner organizations in the United Nations HIV network through participation in global and regional-level meetings and ongoing consultations and sharing of experiences and information with UNAIDS, co-sponsors and other United Nations partners.

9. UNDP has given high priority to strengthening its country offices and to developing the capacity of resident representatives to mainstream HIV activities in a development context. In this effort, the 22 HIV and Development National Professional Officers (NPOs) are playing an important role. With the establishment of UNAIDS, UNDP has discussed their role in country-level coordination with the Executive Director and his team, according to the needs of UNAIDS and of the specific country. He has agreed to proceed on a case-by-case basis.

10. UNDP is working actively with UNAIDS and its other co-sponsoring partners to strengthen the implementation of the United Nations HIV and AIDS personnel policy.

IV. UNDP PARTICIPATION IN THE GOVERNANCE COMMITTEES OF UNAIDS

11. Prior to the sixth meeting of the UNAIDS Committee of Co-sponsoring Organizations, a working meeting took place on 6-7 October. During this meeting, co-sponsors examined several of the key documents prepared for consideration by the CCO. These included the draft UNAIDS country support framework and the UNAIDS strategic plan, 1996-2000. It was agreed that these documents would clearly reflect the role and responsibilities within the UNAIDS framework of each co-sponsor now and in the future.

12. The sixth meeting of the CCO was held in New York on 11 October. At this meeting, agreement in principle was reached on a final text of the UNAIDS Memorandum of Understanding. It is expected that all co-sponsors will have signed the memorandum by the November PCB meeting.

13. Detailed financial information on HIV-related activities in 1994-1995 has been provided to UNAIDS by UNDP, as shown in the table.

HIV and development-related activities and staff support: approved budget 1994-1995

(in millions of United States dollars)

	1994	1995	Total
Country IPFs	14.331	38.558	52.889
Regional IPFs	2.695	3.530	6.225
Global/inter-regional/ others a/	4.689	7.985	12.674
Total	21.715	50.073	71.788

a/ Includes Special Programme Reserves TSS-1 and cost-sharing.

14. An important objective of UNDP activities, undertaken as part of the United Nations system response, has been to strengthen understanding of the epidemic as a developmental issue. UNDP has argued that development is causally related to the spread of HIV infection; that development affects what is feasible in terms of the response to the epidemic, and that efforts to strengthen the development performance of countries can themselves worsen as well as improve the possible policy and programming responses to the epidemic. Unless these developmental

parameters are adjusted, through a strengthening of national policy and programming responses, there will be an intensification of the social and economic costs of the epidemic that will increasingly undermine all the national and international efforts to achieve sustainable human development.

15. UNDP has been holding ongoing discussions with UNAIDS and the other co-sponsors to fine-tune planned HIV activities for 1996-1997 and to ensure enhanced coordination in this area. UNDP and other co-sponsors are also consulting with UNAIDS and with one another on regional activities and will ensure that efforts to secure additional financing for these activities will be fully coordinated.

16. UNDP will continue in its firm commitment to work consistently and in close collaboration with UNAIDS and its other co-sponsoring partners to respond more effectively to the HIV epidemic in a unified and coordinated manner.

V. ACTION BY THE EXECUTIVE BOARD

17. The Executive Board may wish to:

Take note of the present report.